

Full Authority
17 September 2020
Agenda Item: 12

Budget Deliberations

Most Crowe Valley Conservation Authority budgets have been a challenge, especially since the original Provincial Grant Funding cuts experienced in the mid-1990's. Since that time, the Provincial Grant was also frozen at \$116,742 until the next provincial cut in 2019. Budgeting was indeed difficult for virtually all of those years.

Last year's budget was no exception as the CVCA Board members were required to deal with the 2019 funding reduction of 48.4%. Without a doubt, it placed tremendous additional strain on the Board and subsequently their respective Municipal councils. Realizing their fiduciary responsibilities, the CVCA Board members forged ahead with a difficult budget to ensure the CVCA had the financial resources to deliver the core mandated services and programs for the municipal partners, the residents and visitors.

Based on that support and prior years' achievements (for example, approval of the asset management replacement program), the CVCA has achieved a relatively stable platform to meet future operational demands.

Of course, like any conservation authority, there is always more to do or should be accomplished to further the objects of this Authority, support its current programs and staff. However, often because of financial challenges for a small rural authority like the CVCA with an extremely high per capita levy there will always be financial pressure.

Recent budget increases have been forced upon the CVCA due to unforeseen circumstances and this year, municipalities have also been challenged with COVID pressures/implications. Therefore, it may be prudent for the CVCA to "catch its breath" and use the 2021 Budget as a bridge year to consolidate and assess capital and operational aspects of the Authority.

I would strongly suggest that a small increase be considered for the following expenses, including offsetting revenue:

- At this time assume 1% COLA for staff (based on the average monthly to date)
- Project a 1% increase for key expenses
- Staff level changes
- WECI considerations
- Additional staff training

- Resources for the investigation of modernizing the Flood Forecasting and Warning (FF&W) system
- Staff training for FF&W
- Consideration for additional resources for Callaghan's
- Unforeseen COVID related expenses (such as accommodation for the public or staff requirements)
- Include an increase in Marmora hydro plant revenue
- Consider revisiting regulation fees
- Consider increase to McGeachie cottage rental fees

In relation to the CVCA's peers, most conservation authorities in Eastern Ontario are also considering small increases for their 2021 budgets in the 2 to 3% range.

The budget to actuals report is included in the agenda package for the Board's consideration to provide additional information as the Board turns its thoughts to 2021.

Staff Recommendations:

- 1) *Meet with the Executive Committee in late October for guidance and recommendations for a draft budget. Staff will prepare a draft budget to provide the foundation for the meeting.*

Board Decision

TP